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AUTHOR Haynes, Chloe J.
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ABSTRACT

In recent years, educational leaders have joined forces with businesses and community members to prepare students for a new, challenging labor market and, in so doing, are making major contributions to economic development. As the transition to the information age continues, the adaptable, creative student may provide the force to direct economic development. (AA)

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EDUCATION AND ECONOMIC DEVELOPMENT

By Chloe J. Haynes

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Technological enterprises and the expanding service sector are transforming America's "postindustrial" economy to production that is information based. Businesses are now calling upon schools to contribute to the economic development of the "information age."

To compete in the global marketplace, high-technological businesses selectively recruit new workers. These assertive enterprises locate in areas that offer progressive schools and a trained work force. All types of businesses invest $2 billion yearly to retrain workers who lack basic and computational skills. Government and business leaders forecast that, without immediate intervention strategies, the cost of more students dropping out will cripple the economy.

How are schools responding to these complex changes? Many are seeking to upgrade student skills at the same time they are entering into partnerships with businesses to assist in the education of youth.

How Are Economic Changes Challenging Education?

Rapid technological advancements have contributed to a debate over improving students' skill levels as opposed to helping them develop more specialized skills. Noting the trend toward a labor pool that is increasingly drawn from a youthful underclass, some analysts emphasize remedial and basic skills development among students of all socioeconomic backgrounds. The scarcity of well-qualified workers recently prompted the Committee for Economic Development to urge that government and business invest in training the educationally disadvantaged (Olson 1987).

The numerous businesses that provide employees with what amounts to a free education stress both skill level *and* skill type. Corporations know that workers who read and write well learn diverse tasks more easily. The chairman of Alcoa, Charles Parry (in Penning 1987), recommends that "the new jobs require people who are creative, flexible, and adaptive." Future workers, therefore, should master such "basics" as problem-solving, synthesis, analytical skills, and multiple communication skills.

John Naisbett (in Allen 1987), author of *Megatrends*, believes that, although the information workplace demands "a much higher level of creativity and thinking," student preparation is "not back to basics, and it's not high-tech that's required." Instead, "we have to re-invent education" by "learning how to think...to be creative."

Many schools and communities appear to have resolved the dilemma over "skill level" versus "skill type" by favoring a broad-based, multidisciplinary curriculum, balanced with evaluative and organizational skills as well as basic and technological training. A broad education equips students with the flexibility to learn a range of skills.

How Do Schools Contribute to Economic Development?

Education contributes to an economy's development in two ways: (1) through the economy's organization—its division of tasks, and (2) through the economy's performance—how much it produces.

The economy's organization is becoming increasingly specialized in its division of tasks, which schools train students to perform. The economy's performance is determined by the productivity of the labor force. Because the educational level of the labor force is a determinant of its productivity, schools make an important contribution to economic development.

Peter G. Peterson (1987), a trustee of the Committee for Economic Development, says, "It is hard to imagine any long-term economic renaissance—especially one built on 'working smarter'—without a determined investment in the most precious of our assets: the skills, intellect, work habits, health, and character of our children."

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What Are States Doing to Promote Economic Development Through Educational Reform?

Public concern about educational quality has brought attention in many state capitals to the relationship between school programs and employment preparation. States are responding to this concern in a variety of ways. For example, Illinois funded a $100 million reform that included alternative programs for potential dropouts. Legislators in Minnesota invested in the future of excellent students with increased funding for the gifted. Tennessee's educational reforms contributed to General Motors' decision to build an auto plant in Nashville.

State task forces are promoting economic development through educational improvements in curriculum offerings, computer skill development, and teacher training expansion.

How Are School-Business Partnerships Preparing Students for Today's Labor Market?

Community participation programs that encourage business involvement in education include matching fund programs, parent workshops, and student training for various business needs. Businesses want to help schools in practical ways through school-business partnerships and "adopt-a-school" projects.

In Dallas, Texas, more than 1,000 businesses have adopted 200 schools. School administrators and the Chamber of Commerce encouraged local company officers to address their responsibilities to education, creating a ripple effect throughout the community.

The program offered by the Boston Compact consortium of companies ensures jobs for participating high school students upon graduation. In turn, schools guarantee that graduates will perform at a specific skill level and that skill levels will increase 5 percent each year.

What Can Administrators Do To Help Schools Prepare Students for the Work Force?

Administrators must have an empathetic understanding of the differing perspectives among students, staff, and community members and be able to guide their schools toward effective student preparation for the work force.

In addition to their own leadership capabilities, administrators must also consider the potential of their students as economic leaders. Often, schools focus on classroom issues and forget how a strong, clear school mission gives students a sense of identity and pride.

In recent years, educational leaders have joined forces with businesses and community members to prepare students for a new, challenging labor market and, in so doing, are making major contributions to economic development. As the transition to the information age continues, the adaptable, creative student may provide the force to direct economic development.

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College of Education, University of Oregon
Eugene, Oregon 97403

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